

I claim:

1. A method of dispersing loan proceeds which comprises the following steps:
  - a) a borrower not residing in the same state as the location of a licensed lender, contacting said licensed lender about obtaining a loan;
  - (b) said licensed lender forwarding a loan application to said borrower;
  - (c) said borrower transmitting the executed loan application to said licensed lender;
  - (d) said licensed lender accepting and processing the loan application;
  - (e) said licensed lender approving the loan application;
  - (f) said licensed lender pursuant to authorization of borrower automatically opening an account for said borrower at a banking institution located in the same state jurisdiction as said licensed lender and said licensed lender's banking institution;
  - (g) said licensed lender disbursing the loan proceeds from its funding account at said licensed lender's banking institution to said borrower's newly created bank account;

- (h) automatically wiring the loan proceeds from said borrower's new bank account at said banking institution in the same state jurisdiction as said licensed lender and said licensed lender's banking institution to a bank checking account of said borrower in a different state jurisdiction where said borrower resides or currently banks;
  - (i) and, said licensed lender, pursuant to a pre-authorization by borrower, arranging repayment of said loan.
- 2. The method as claimed in claim 1, wherein the loan is a payday loan.
- 3. The method as claimed in claim 1, wherein the loan is a title loan.
- 4. The method as claimed in claim 1, wherein the method further comprises verifying the identity of the borrower.
- 5. The method as claimed in claim 2, wherein said account for the out-of-state borrower is at the same banking institution as the licensed payday lender and its banking institution.
- 6. The method as claimed in claim 2, wherein said bank account for the out-of-state borrower is at a different banking institution than said lender's banking institution but in the same jurisdiction.

7. The method as claimed in claim 1, wherein the loan application specifies the state jurisdiction of the loan transaction as being the same as the state where the licensed lender and its banking institution are located.
8. The method as claimed in claim 1, wherein the method comprises receiving the loan application via a facsimile or e-mail or through the Internet.
9. The method of claim 1, receiving a request from the borrower for an extension or rollover of the repayment date, extending the date and charging the borrower an additional loan fee for the extension or rollover.
10. The method as claimed in claim 1, wherein the borrower is outside the United States and the loan is an international loan.
11. The method as claimed in claim 1, wherein the loan is a short-term loan for less than about 5 years.
12. The method as claimed in claim 2, wherein the loan is a short term loan for less than about one month.
13. The method as claimed in claim 1, wherein step (i) said arranging repayment of said loan is through the Federal Reserve to debit the loan amount and accrued interest and fees from said bank account of borrower in his/her home state jurisdiction by having such money wired to the bank account of the licensed lender at said licensed lender's banking institution.